

RESOLUTION R2016 - 3

A RESOLUTION OF THE CITY OF WILDWOOD, FLORIDA, SUPPLEMENTING ITS RESOLUTION R2013-29, AS PREVIOUSLY SUPPLEMENTED; FOR THE PURPOSE OF AUTHORIZING THE ISSUANCE BY THE CITY OF ITS NOT EXCEEDING \$1,700,000 IN AGGREGATE PRINCIPAL AMOUNT OF UTILITY SYSTEM REVENUE NOTE, SERIES 2016, TO ACQUIRE FROM CONTINENTAL UTILITY, INC., ITS POTABLE WATER SUPPLY, TREATMENT, TRANSMISSION AND DISPOSITION SYSTEM AND WASTEWATER COLLECTION, TREATMENT AND DISPOSABLE SYSTEM AND TO CONSTRUCT AND ACQUIRE IMPROVEMENTS TO SUCH UTILITY SYSTEM AND THE CITY'S EXISTING WATER AND SEWER SYSTEM AND PAY THE COSTS OF ISSUANCE OF SUCH 2016 NOTE; PLEDGING TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH 2016 NOTE, ON A PARITY WITH THE CITY'S UTILITY SYSTEM REFUNDING REVENUE BOND, SERIES 2013, THE NET REVENUES DERIVED BY THE CITY FROM THE CITY'S WATER SYSTEM AND SEWER SYSTEM, AND CERTAIN MONEYS AND INVESTMENTS ON DEPOSIT IN CERTAIN FUNDS AND ACCOUNTS; MAKING CERTAIN COVENANTS AND AGREEMENTS FOR THE BENEFIT OF THE HOLDERS OF THE 2016 NOTE; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF WILDWOOD, FLORIDA AS FOLLOWS:

SECTION 1. DEFINITIONS. When used in this Resolution, the terms defined in Resolution No. R2013-29 of the City of Wildwood, Florida (the "Original Instrument") adopted by the City Commission of the Issuer on October 14, 2013 shall have the respective meanings assigned thereto by the Original Instrument and the following terms applicable to the 2016 Note (as hereinafter defined) shall have the following meanings, unless the context clearly otherwise requires:

"Bond Resolution" shall mean the Original Instrument as amended and supplemented including this Resolution and any other resolution supplementing or amending the then existing Bond Resolution.

"Interest Date" shall mean each April 1 and October 1 commencing April 1, 2016.

"Parity Obligation" shall mean the Issuer's Outstanding Utility System Refunding Revenue Bond, Series 2013.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or governmental entity.

"Project" shall mean the acquisition pursuant to that "Asset Transfer and "Acquisition Agreement" between the City and Continental Utility, Inc. of the water and sewer assets of Continental Utility, Inc., a Florida corporation and the acquisition and construction of improvements to such system and the City's existing Water System and Sewer System.

"2016 Note" shall mean the City of Wildwood, Florida Utility System Revenue Note, Series 2016 authorized to be issued pursuant to Section 6 of this Resolution.

"This Resolution" shall mean this instrument, as the same may from time to time be amended, modified or supplemented.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms shall refer to this Resolution; the term "heretofore" shall mean before the date of adoption of this Resolution; and the term "hereafter" shall mean after the date of adoption of this Resolution. Words importing the masculine gender include every other gender. Words importing the singular number include the plural number, and vice versa.

SECTION 2. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of the Act, the Original Instrument as amended and supplemented, particularly Section 20(Q) thereof, and other applicable provisions of law.

SECTION 3. FINDINGS. It is hereby ascertained, determined and declared that:

(A) The City Commission of the City of Wildwood, Florida duly adopted the Original Instrument on October 14, 2013 which authorized the issuance of the Issuer's Utility System Refunding Revenue Bond, Series 2013 and authorized the issuance of Additional Parity Obligations having an equal lien on the Pledged Revenues with such Parity Obligation except as otherwise provided in the Original Instrument.

(B) The Issuer deems it necessary, desirable and in the best financial interest of the Issuer and its citizens to issue the 2016 Note for the principal purpose of financing the costs of the Project.

(C) The Issuer deems it necessary, desirable and in the best interest of the Issuer and its citizens that the Pledged Revenues be pledged to the payment of the principal of and interest on the 2016 Note. Following the issuance of the 2016 Note, no part of the Pledged Revenues will be pledged or encumbered in any manner except as security for the Parity Obligation and on a subordinate basis to the pledge thereon to the 2016 Note and the Parity Obligation to that Clean Water State Revolving Fund Loan Agreement WW769070. The Issuer is authorized pursuant to Section 12.02, of the Original Instrument to issue Additional Parity Obligation payable from the Pledged Revenues on a parity with the Parity Obligation under the terms, limitations and conditions provided therein. Prior to the issuance of the 2016 Note, the provisions of Section 20(Q) of the Original Instrument will have been complied with. The 2016 Note shall be payable on parity and rank equally as to lien on and source and security for

payment from the Pledged Revenues, with the Parity Obligation and all of the covenants contained in the Original Instrument shall be applicable to the 2016 Note except as otherwise provided in the Bond Resolution.

(D) The principal of and interest and redemption premium, if any, on the 2016 Note shall be payable solely from the Pledged Revenues as provided in the Bond Resolution. No ad valorem taxing power of the Issuer will ever be exercised nor will any Holder of any 2016 Note have the right to compel the exercise of such ad valorem taxing power to pay the principal of or interest on the 2016 Note or to make any other payments provided for in the Bond Resolution, and the 2016 Note shall not constitute a lien upon any property of the Issuer or situated within its corporate territorial limits, except the Pledged Revenues.

SECTION 4. AUTHORIZATION OF ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF PROJECT. The Issuer hereby authorizes the acquisition, construction and improvement of the Project as provided in this Resolution.

SECTION 5. THIS RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the purchase and acceptance of any or all of the 2016 Note by those who shall hold the same from time to time, the provisions of the Bond Resolution shall be deemed to be and shall constitute a contract between the Issuer and the Holders from time to time of the 2016 Note. The pledge made in this Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of the 2016 Note.

SECTION 6. AUTHORIZATION OF 2016 NOTE. Subject and pursuant to the provisions of the Bond Resolution, the 2016 Note is authorized to be issued in the aggregate principal amount of not exceeding \$1,700,000.

SECTION 7. DESCRIPTION OF 2016 NOTE. The 2016 Note shall be dated its date of delivery; shall be issued with a fixed interest rate in fully registered fixed shall bear interest at a rate or rates not exceeding the maximum rate permitted by law (calculated on the basis of a 360-day year of twelve 30-day months), payable in such manner and on such dates; and shall contain such redemption provisions; all as the Issuer shall hereafter provide by Supplemental Resolution.

SECTION 8. APPLICATION OF 2016 NOTE PROCEEDS. The proceeds derived from the sale of the 2016 Note shall simultaneously with the delivery of the 2016 Note to the purchaser or purchasers thereof, be applied by the Issuer as follows:

(A) A sufficient amount of 2016 Note proceeds shall be deposited to the Construction Fund to finance the costs of the Project.

(B) the balance of the proceeds of the 2016 Note shall be applied in to payment of the cost of issuance of the 2016 Note.

SECTION 9. 2016 NOTE NOT A GENERAL INDEBTEDNESS OF THE ISSUER.

The 2016 Note shall not be or constitute a general obligations or indebtedness of the Issuer within the meaning of the Constitution of the State of Florida, but shall be payable solely from and secured by a lien upon and a pledge of the Pledged Revenues in the manner and to the extent herein provided in the Bond Resolution. No Holder or any other person shall ever have the right to compel the exercise of the ad valorem taxing power of the Issuer or taxation in any form on any real or personal property to pay the principal of, premium, if any, and interest on the 2016 Note. The Holders shall not have a lien upon the System or any Projects.

SECTION 10. SECURITY FOR BONDS. The Issuer does hereby irrevocably pledge the Pledged Revenues to the payment of the principal of or redemption price, if applicable, and interest on the 2016 Note. The 2016 Note are payable from the Pledged Revenues on a parity, equally and ratably with the Parity Obligation except that until expended on costs of the Project that amount on deposit in the Construction Fund as provided in Section 7 hereof are pledged solely to the 2016 Note and neither the Holders of the Parity Obligation or any other Person shall have any rights thereto.

SECTION 11. APPLICATION OF PROVISIONS OF ORIGINAL INSTRUMENT.

The 2016 Note shall for all purposes be considered to be Additional Parity Obligation issued under the authority of Section 20(Q) of the Bond Resolution and shall be entitled to all the protection and security provided in and by the Bond Resolution for Additional Parity Obligations, and the 2016 Note shall be in all respects entitled to the same security, rights and privileges enjoyed by the Parity Obligation except as otherwise provided herein. The debt service on the 2016 Note shall be payable from the Pledged Revenues on a parity with the Parity Obligation except as otherwise provided herein and to the extent of available Pledged Revenue deposits shall be made into the Revenue Fund by the Issuer in amounts fully sufficient to pay the debt service on the 2016 Note and on the Parity Obligation as such debt service becomes due. The terms and provisions of the Bond Resolution as supplemented hereby shall remain in full force and effect and be fully applicable with respect to the 2016 Note as if such 2016 Note were originally issued thereunder.

SECTION 12. SEVERABILITY. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid or shall in any manner be held to adversely affect the validity of the 2016 Note, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution or of the 2016 Note issued hereunder.

SECTION 13. GENERAL AUTHORITY. The members of the City Commission and the Issuer's officers, attorneys and other agents and employees are hereby authorized to do all acts and things required of them by this Resolution or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the 2016 Note and this Resolution, and they are hereby authorized to execute and deliver all documents which shall be required by Bond Counsel, or the

initial purchasers of the 2016 Note to effectuate the sale of the 2016 Note to said initial purchasers.

SECTION 14. NO PERSONAL LIABILITY. No representation, statement, covenant, warranty, stipulation, obligation or agreement herein contained, or contained in the 2016 Note, or in any certificate or other instrument to be executed on behalf of the Issuer in connection with the issuance of the 2016 Note, shall be deemed to be a representation, statement, covenant, warranty, stipulation, obligation or agreement of any member of the City Commission, officer, employee or agent of the Issuer in his or her individual capacity, and none of the foregoing persons nor any officer of the Issuer executing the 2016 Note, or any certificate or other instrument to be executed in connection with the issuance of the 2016 Note, shall be liable personally thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

SECTION 15. NO THIRD PARTY BENEFICIARIES. Nothing in this Resolution, or in the 2016 Note, expressed or implied, is intended or shall be construed to confer upon any Person other than the Issuer and the Holders any right, remedy or claim, legal or equitable, under and by reason of the Bond Resolution or any provision hereof, or of the 2016 Note, all provisions hereof and thereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Persons who shall from time to time be the Holders.

SECTION 16. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

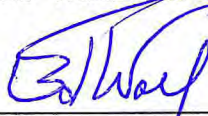
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SECTION 17. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 25th day of January, 2016.

CITY OF WILDWOOD, FLORIDA

(OFFICIAL SEAL)



Mayor

ATTEST:



City Clerk